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Programme budget for the biennium 2008-2009

Proposed programme budget for the biennium 2010-2011

Financing of the International Criminal Tribunal for the Prosecution of Persons Responsible for Genocide and Other Serious Violations of International Humanitarian Law Committed in the Territory of Rwanda and Rwandan Citizens Responsible for Genocide and Other Such Violations Committed in the Territory of Neighbouring States between 1 January and 31 December 1994

Financing of the International Tribunal for the Prosecution of Persons Responsible for Serious Violations of International Humanitarian Law Committed in the Territory of the Former Yugoslavia since 1991

Administrative and budgetary aspects of the financing of the United Nations peacekeeping operations

Liabilities and proposed funding for after-service health insurance benefits

Fifth report of the Advisory Committee on Administrative and Budgetary Questions on the proposed programme budget for the biennium 2010-2011

I. Introduction

1. The Advisory Committee on Administrative and Budgetary Questions has considered the report of the Secretary-General on the liabilities and proposed funding for after-service health insurance benefits (A/64/366). During its consideration of the report, the Committee met with the representatives of the Secretary-General, who provided additional information. The Advisory Committee also met with the Chairman of the Audit Operations Committee and Director of External Audit, who provided clarification with respect to the recommendations of the Board of Auditors in relation to funding after-service health insurance liabilities by the United Nations system (see paras. 19-22 below).

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2. The report of the Secretary-General is submitted pursuant to paragraph 10 of General Assembly resolution 61/264, in which the Assembly requested the Secretary-General to, inter alia, validate the accrued liabilities and submit a detailed report, with figures audited by the Board of Auditors, on the outcome of the validation and status of the liabilities, as well as additional information on financing options, to the Assembly no later than the main part of its sixty-third session. The Secretary-General indicates that, owing to the comprehensive nature of the requests and the complexity of the underlying elements, the submission of the report was delayed to the sixty-fourth session (A/64/366, para. 24).

3. Annexes I and II of the report of the Secretary-General contain a comparative analysis and an overview of after-service health insurance liabilities and funding initiatives by the United Nations system. The Advisory Committee notes from annex II that, while some entities have funded or partially funded their liabilities, a number of them have not done so, but intend to establish a funding mechanism based on the decision to be adopted by the General Assembly in relation to the funding of after-service health insurance liabilities of the United Nations. The decision to be adopted by the Assembly, therefore, could have a wider impact on the United Nations system. **In this connection, the Advisory Committee recalls its recommendation that the Secretary-General address, on a system-wide basis, the long-term implications and impact of the growth of after-service health insurance liabilities (A/52/7/Rev.1, para. X.25).** The Committee notes, however, that different approaches to fund after-service health insurance liabilities have been adopted within the United Nations system.

4. As requested by the General Assembly in paragraph 13 of its resolution 61/264, section IV of the report of the Secretary-General provides information with respect to measures aimed at reducing the Organization's costs related to health-care plans. According to the Secretary-General, the overall estimated annual savings from initiatives undertaken since 2007 are projected to be between $6 million and $10 million, including those associated with the changes approved by the Assembly to the after-service health insurance provisions for new staff members recruited on or after 1 July 2007 (resolution 61/264, para. 12). In this connection, the Advisory Committee notes the recommendation on cost containment measures by the Joint Inspection Unit (see A/62/541, sect. IV), as well as the comments by the United Nations System Chief Executives Board for Coordination thereon (see A/62/541/Add.1). **The Advisory Committee is of the view that cost containment measures should be further explored by the United Nations system in a coordinated manner.**

II. Updated and validated valuation of after-service health insurance liabilities

5. Information with respect to the updated and validated valuation of after-service health insurance is provided in section III of the Secretary-General's report. Annex IV of the report provides a glossary of terms. It is indicated in paragraph 25 that the value of future after-service health insurance benefits is determined by professional actuaries, taking into account multiple factors, including life expectancy and forecasted escalation in medical costs. These future benefits are then discounted back to today's values by using an appropriate discount rate (see para. 6 below). The resulting amount, which is the present value of future after-service

health insurance benefits, is shown as an accrued liability in the United Nations audited financial statements.

6. The Secretary-General indicates that the valuation of after-service health insurance liabilities is very sensitive to changes in the discount rate (ibid., paras. 28 and 29). For the actuarial valuations in both 2005 and in 2007, a discount rate of 5.5 per cent was used to obtain the present value of future benefits. The Board of Auditors indicated that this choice was in line with the principle of prudence specified in note 2 (a) (ii) to the financial statements and that it also enabled the liability to be more easily compared over time (A/63/5 (Vol. I), para. 120).

7. The General Assembly, in paragraph 10 of its resolution 61/264, requested the Secretary-General to validate the accrued liabilities by using current data and to apply the actuarial methodology prescribed by the International Public Sector Accounting Standards (IPSAS). The Secretary-General reports that, as at 31 December 2007, the updated actuarial value of the United Nations after-service health insurance liabilities across all funding sources was $2,430.9 million, representing the Organization's net liability after offsetting anticipated contributions of $722.7 million from after-service health insurance participants (A/64/366, para. 25). The corresponding amounts, as at 31 December 2005, for the Organization and from the participants were $2,072.8 million and $606.2 million, respectively. A comparison of the components of the accrued liabilities as at 31 December 2005 and 31 December 2007 from all sources of funds is illustrated in paragraph 28 of the report of the Secretary-General, which reflects an overall increase of some 17 per cent in liabilities. The Secretary-General indicates that both valuations were independently determined by a professional actuarial firm using the "projected unit credit" method, which is the actuarial methodology prescribed by IPSAS.

8. In accordance with paragraph 14 of General Assembly resolution 61/264, an independent segregated special account has been established to record after-service health insurance accrued liabilities and account for related transactions. Of the liabilities of $2,430.9 million as at 31 December 2007, $1,821.4 million was attributable to the regular budget, $219.9 million to extrabudgetary funds and $389.6 million to peacekeeping funds (ibid., para. 26). These liabilities were included, respectively, in the financial statements of the United Nations and of the peacekeeping operations. The Secretary-General reports that the Board of Auditors, as part of their audit of the financial statements, validated the after-service health insurance liabilities disclosed therein (ibid., para. 27).

III. Current funding approach for after-service health insurance

9. It is stated in the report (ibid., paras. 21 and 39) that, as in the case of pension benefits, entitlements to after-service health insurance benefits accrue over the working years of staff members. However, unlike pension benefits, which are mostly budgeted and funded in advance and invested until payments to retirees are required, after-service health insurance benefits are not budgeted for in the year when they are earned but are rather funded for in the year in which the benefits are used by retirees. This approach, referred to as "pay-as-you-go", provides sufficient funds to cover current year costs without consideration of accumulated future costs or a reserve.

10. The Secretary-General states that, since its inception in 1967, the after-service health insurance programme has grown in the number of participants and hence in its costs. The programme currently provides coverage to over 8,000 United Nations retirees with some 4,000 dependants globally. The Secretary-General estimates that within the next 10 years, over 45 per cent of current active staff will reach early retirement age, provided they remain in service. In addition, according to the Secretary-General, the recent reform of human resources management to harmonize contracts has resulted in the conversion of over 5,500 staff with appointments of limited duration and no entitlement to after-service health insurance, to fixed-term contracts with potential entitlement to after-service health insurance. The related increase in accrued after-service health insurance liability would be some $18.5 million per year of completed service under the new contracts. The Secretary-General anticipates that the unfunded liabilities and the related budgetary requirements to meet benefit cost will continue to grow as more staff retire and as the cost of medical services continues to rise.

11. Historically, after-service health insurance benefits, irrespective of the funds under which staff retired, were budgeted under the special expenses section of the regular budget, until the biennium 2006-2007 when the costs were funded partially under the regular budget and partially under the peacekeeping support account (ibid., para. 52). A review of the United Nations staff who retired and participated in after-service health insurance within the past 10 years showed that some 77 per cent retired from service under the regular budget, 8 per cent from service under extrabudgetary funds and 15 per cent from service under peacekeeping funds. Given the increasing significance of each of the three components, the Secretary-General proposes that, for the biennium 2010-2011, $8.8 million (after recosting) under extrabudgetary funds be appropriated to cover after-service health insurance benefits, in addition to $105.2 million under the regular budget and $16.4 million under peacekeeping operations. **The Advisory Committee supports the proposal for establishing biennial appropriations to cover after-service health insurance benefits for those who retired from service under extrabudgetary funds** (see para. 29 below). A table on the expenditure for 2006-2007, the appropriation for 2008-2009 and the estimate for 2010-2011 is provided below (see also A/64/6 (Sect. 32)).

(In thousands of United States dollars)

Component	*2006-2007 expenditure*	*2008-2009 appropriation*	*2010-2011 estimate*
Regular budget	79 926.9	89 227.8	105 198.5
Peacekeeping operations	11 342.3	12 900.0	16 410.0
Extrabudgetary funds	—	—	8 752.0

12. In his response to the request by the General Assembly (resolution 61/264, para. 15 (c)) to provide information on differentiated levels of charge as a percentage of salary costs to be applied against different funding sources that would be sufficient to finance after-service health insurance liabilities in a predictable manner without building up a reserve, the Secretary-General suggests that, an alternative could be a charge applied against the cost of salaries of active staff members (common staff costs) across all budgets. Based on the percentage of

retirees under the three sources of funding (see para. 11 above), a charge of some 5.6 per cent would be required against salary costs of the regular budget, 1.2 per cent against extrabudgetary funds and 1.5 per cent against peacekeeping funds. However, the Secretary-General indicates that this does not mitigate the problems associated with the "pay-as-you-go" approach. The Advisory Committee notes from the report that the "pay-as-you-go" approach results in a misalignment of costs and programme activities as retiree benefit costs are shifted to future-year assessments on Member States for expenses classified as "special expenses" rather than being included as common staff costs during the working lives of staff members (A/64/366, para. 43). The Advisory Committee understands that this alternative is put forward by the Secretary-General in recognition of the fact that after-service health insurance benefits are considered a condition of service and, therefore, should be included within common staff costs.

13. The Secretary-General explains, in section V of his report, the advantages and disadvantages for Member States of the "pay-as-you-go" option of after-service health insurance liabilities versus the option of funding those liabilities, as requested by the General Assembly in paragraph 15 (a) of its resolution 61/264. The Secretary-General considers that, while the current approach is less costly in the short term, funding of the liabilities is more economical in the longer term, as investment earnings serve to reduce budgetary requirements. The Secretary-General therefore recommends the adoption of a funding policy for after-service health insurance benefits. The disadvantages of the current approach are:

(a) Increasing budgetary requirements over time as more staff retire and as medical costs continue to increase at rates higher than general inflation;

(b) The increase in unfunded liabilities reflected on the financial statements of the Organization. The 2008-2009 biennial budget of $102.1 million for after-service health insurance costs for all funding sources is projected to increase to over $600 million by the biennium 2036-2037, with a projection of over $11 billion in unfunded liabilities to be reflected in the financial statements by 31 December 2037;

(c) Misalignment of after-service health insurance benefits to future assessments on Member States as special expenses, rather than being included as common staff costs during the working life of staff members. This presents a challenging financing issue in relation to staff who retired from extrabudgetary or peacekeeping activities that have since been discontinued. The misalignment of costs would be obviated if after-service health insurance benefits were funded in the same way as pension benefits (see para. 9 above).

14. The Secretary-General believes that the alternatives to the current approach, namely, partially or fully funding the after-service health insurance liabilities as they accrue, would (a) address both immediate and future costs; (b) enhance the alignment of costs so that the costs of the benefits are incurred under the budgets receiving the services from the employees; (c) reduce the long-term contribution requirements by Member States as investment earnings begin to supplement budgets; and (d) contain the growth of unfunded after-service health insurance obligations from becoming a greater liability on the United Nations (A/64/366, para. 45).

IV. Funding alternatives for after-service health insurance liabilities

15. Taking into consideration the allocation of the liabilities among all funding sources and the demographics of active staff participating in the United Nations health insurance plans, the Secretary-General proposes three funding alternatives, with funding alternative 3 as the recommended one (ibid., paras. 56-71). A comparison of the three alternatives is presented in the table in paragraph 70 of the report, which is reproduced below.

(Millions of United States dollars, unless otherwise indicated)

	Alternative 1				*Alternative 2*				*Alternative 3*			
	Regular budget	*Extra-budgetary*	*Peace-keeping*	*Total*	*Regular budget*	*Extra-budgetary*	*Peace-keeping*	*Total*	*Regular budget*	*Extra-budgetary*	*Peace-keeping*	*Total*
30-year funding goal	75	60	65	70				25	75	60	65	70
One-time infusion									48.5	63.7	312.8	425.0
Charge against salary costs												
Percentage	16.0	6.0	5.5	11.0	5.6	1.2	1.5	3.5	9.6	2.6	1.0	5.5
Amount	299.8	41.7	61.2	402.7	105.2	8.8	16.4	130.4	172.9	18.3	11.0	202.2
2010-2011 pay-as-you-go budget proposal	105.2	8.8	16.4	130.4	105.2	8.8	16.4	130.4	105.2	8.8	16.4	130.4
Estimated additional 2010-2011 budgetary requirements	194.6	32.9	44.8	272.3	105.2	8.8	16.4	130.4	172.9	18.3	11.0	202.2
Estimated total 2010-2011 budgetary requirements	299.8	41.7	61.2	402.7	210.4	17.6	32.8	260.8	278.1	27.1	27.4	332.6
Short-term impact[a] (multiples of pay-as-you-go)	2.8	4.7	3.7	3.1	2.0	2.0	2.0	2.0	2.6	3.1	1.7	2.6
Cross-over biennium[b]				2024-2025				2020-2021				2024-2025
Long-term impact (multiples of pay-as-you-go after cross-over)				0.33				0.75				0.33
Complexity				Complex				Simple				Complex

[a] Impact on 2010-2011 biennium.

[b] Biennium during which contributions will be less than the pay-as-you-go costs projected for that time.

16. The overall goal of the proposed funding alternatives is aimed at (a) stemming the increase in unfunded liabilities by partially or fully funding the annual liabilities accrued as staff members render service; (b) meeting the annual benefits required by the current participants; and (c) progressively funding the $2,430.9 million in unfunded liabilities that have been accumulated from the "pay-as-you-go" approach (ibid., para. 55). The Secretary-General also indicates that in the case of all the

funding alternatives presented, periodic actuarial reviews would be required to determine to what extent funding goals are met or changes required, and to determine whether percentage rates chargeable against salary costs are appropriate in order to attain the funding goals and to ultimately achieve full funding of after-service health insurance liabilities.

17. A brief account of the three alternatives is provided below:

(a) **Funding alternative 1** aims to arrive at an overall funding of 70 per cent of accrued after-service health insurance liabilities in 30 years, with differentiated funding goals (75 per cent for the regular budget, 60 per cent for extrabudgetary funds and 65 per cent for peacekeeping funds). For the biennium 2010-2011, the funding requirements are projected to be $402.7 million, chargeable as common staff costs. The Secretary-General acknowledges that this option is complicated in its structure;

(b) **Funding alternative 2** aims to achieve a funding goal of 25 per cent in 30 years, by doubling the requirements under the "pay-as-you-go" for the first five bienniums, with a view to utilizing half of the resources to pay for current retiree health benefits and the other half to fund a portion of the accrued liabilities. This option is simpler and places less demand on resources in the short term. However, in order to attain higher levels of funding, additional years would be required for the doubling of the "pay-as-you-go" requirements;

(c) **Funding alternative 3** is recommended by the Secretary-General and aims to attain a funding goal of some 70 per cent in 30 years. It consists of an initial one-time infusion of $425 million, as well as systematic funding for the long term to attain progressive levels of funding for the liabilities. For the one-time infusion of $425 million, the Secretary-General proposes (i) a transfer of $290 million from unencumbered balances and miscellaneous income under peacekeeping operations for the financial period 2008/09, with approval for the suspension of financial regulation 5.3; (ii) a transfer of $51.9 million from the compensation reserve fund; and (iii) a transfer of $83.1 million from the medical and dental reserves.

The systematic funding for the long term would require financing for after-service health insurance benefits for the current retirees under the special expense section of the regular budget and under the support account for peacekeeping funds, as well as under the accounts for the support costs of extrabudgetary funds, in addition to a charge against net salary costs to be established to partially fund the accrued liabilities (9.6 per cent for the regular budget, 2.6 per cent for extrabudgetary funds and 1 per cent for peacekeeping funds). For the biennium 2010-2011, the combined total of these two elements would amount to $332.6 million. The Secretary-General indicates that this option would immediately reduce the unfunded liability and establish a funding base to generate investment income.

18. The Advisory Committee notes that the Secretary-General does not propose any funding alternatives that would provide full funding for the after-service health insurance liabilities, as requested by the General Assembly (resolution 61/264, para. 15 (e)), nor does he provide reasons for why certain percentages have been proposed for the three partially funded alternatives. The Committee further notes that, both under the current approach and under funding alternative 3 as recommended by the Secretary-General, biennial appropriations are required for funding after-service health insurance benefits for current retirees (see paras. 11 and

17 (c) above). The Committee's comments and recommendations on the proposed funding alternatives for after-service health insurance liabilities are contained in section VII below.

19. According to the Secretary-General (A/64/366, para. 31), unless funding of the after-service health insurance liability is initiated with the related funds actively invested, the annual cash requirements for after-service health insurance benefits will continue to increase exponentially, putting an ever-increasing strain on future budgets. Upon enquiry, the Advisory Committee was informed by the Chairman of the Audit Operations Committee that, since actuarial valuations took into consideration assumptions based on past experience and these factors affecting the valuations may change in the future, actuarial numbers could vary from year to year. Given that the liabilities involved were so large, any change in the assumptions could have a significant impact on the valuations.

20. The Advisory Committee recalls that the Board of Auditors stated in its report that, despite the significant amount of the total liabilities, the flow of payments with respect to those liabilities would be spread over time, and some funding options would allow for a lessening of the financial impact. Given the projections of retirement of United Nations staff, the growth in expenditure flows should accelerate in upcoming bienniums. The Board considered that it was therefore urgent that a funding plan be adopted (A/63/5 (Vol. I), para. 66).

21. The Advisory Committee met with the Chairman of the Audit Operations Committee and confirmed that accounting for after-service health insurance liability was a different issue from that of funding for it, to which the Committee concurs. The Committee was informed that, while the Board of Auditors had advocated for the disclosure of after-service health insurance liabilities by the United Nations, the Board had not taken a position on funding options for those liabilities, except for (a) entities with limited mandates that were to expire, such as the International Criminal Tribunal for Rwanda and the International Tribunal for the Former Yugoslavia; and (b) voluntarily funded programmes and activities, for which unfunded and growing after-service health insurance liabilities could consume programme funds when voluntary contributions fell short.

22. In the view of the Board of Auditors, it was important for the United Nations to recognize, and to properly and fully account for, all categories of end-of-service and post-retirement liabilities. The Advisory Committee notes from the report of the Board that, as at 31 December 2007, the total end-of-service and post-retirement liabilities amounted to $2.33 billion, which comprised $2.04 billion (87.5 per cent) for after-service health insurance, $0.15 billion (6.5 per cent) for liabilities relating to repatriation benefits, and $0.14 billion (6 per cent) for compensation for unused vacation days (A/63/5 (Vol. I), para. 62).

V. Investment strategy for an after-service health insurance reserve fund

23. The General Assembly also requested the Secretary-General to provide more comprehensive information with respect to an after-service health insurance reserve fund and its investment strategies (resolution 61/264, para. 15 (g)). The Secretary-General indicates in his report (A/64/366, paras. 74-77) that discussions have been

held with the Investment Management Service of the United Nations Joint Staff Pension Fund to explore the potential of utilizing their services to manage after-service health insurance assets. Upon approval of a funding option for after-service health insurance liabilities by the General Assembly, further discussions would be held with the Service to develop a detailed investment strategy, which would be dependent on the approved level of initial infusion of funds, the periodic subsequent contributions and the level of periodic outflows needed to provide after-service health insurance benefits. It is anticipated that the reserve fund would be invested using an appropriately balanced portfolio of equities and debt instruments, to prudently maximize long-term investment returns. **The Advisory Committee is of the view that the Secretary-General should have provided sufficient information in his report with respect to potential investment strategies for an after-service health insurance reserve fund, in particular the administrative costs related to managing such a reserve fund by the Investment Management Service of the United Nations Joint Staff Pension Fund. The Committee recommends that information in this regard be provided to the General Assembly.**

VI. International Criminal Tribunal for Rwanda and International Tribunal for the Former Yugoslavia

24. The updated actuarial valuation of the accrued after-service health insurance liabilities, as at 31 December 2007, was estimated at $13.4 million for the International Tribunal for the Former Yugoslavia and at $27.5 million for the International Criminal Tribunal for Rwanda, based on 6 retirees and 153 active staff of the former, and 28 retirees and 248 active staff of the latter, who are expected to retire with after-service health insurance benefits prior to the closing of the two Tribunals (ibid., paras. 78 and 80). The Secretary-General indicates that since the establishment of the Tribunals as temporary bodies, the liabilities pertaining to after-service health insurance have been accruing but remain unfunded, pending approval by the General Assembly of a funding mechanism (ibid., paras. 79 and 81).

25. The Advisory Committee notes from the reports of the Board of Auditors (A/63/5/Add.11 and 12) that, for both Tribunals, the Board issued a modified opinion with an emphasis of matter on the financial statements for the biennium ended 31 December 2007 in relation to the deficits in the reserves and fund balances of the two Tribunals, owing to the recognition on the face of the financial statements of end-of-service liabilities, including after-service health insurance. The Board observed that no provision had been made for any of the end-of-service and post-retirement benefits totalling $48.09 million for the International Tribunal for the Former Yugoslavia and $65.1 million for the International Criminal Tribunal for Rwanda respectively, which included after-service health insurance, unused annual leave, repatriation benefits and pensions of judges (ibid., paras. 32-43 and 29-40). The Board recommended that the Tribunals develop a financing plan in order to settle end-of-service liabilities relating to staff members at the time of the closure of their operations.

26. In the light of the concerns noted by the Board of Auditors, as well as the current completion strategy date of 31 December 2011 for both Tribunals, the Secretary-General proposes that the accrued liabilities of $15.1 million for the

International Tribunal for the Former Yugoslavia and of $29.7 million for the International Criminal Tribunal for Rwanda, based on an actuarial roll forward as at 31 December 2008, be appropriated in the context of the proposed programme budget for 2010-2011 for the Tribunals. Further, any shortfall in funding the liabilities should be included in the biennial performance report and considered as part of the closing costs of the Tribunals.

VII. Actions to be taken by the General Assembly

27. Actions to be taken by the General Assembly to fund the presently accrued liability for after-service health insurance benefits of the United Nations, the International Criminal Tribunal for Rwanda and the International Tribunal for the Former Yugoslavia, as well as to fund the annual incremental accrual for employees in the active service of those entities, are indicated in paragraph 86 (a) to (d) of the report of the Secretary-General (A/64/366).

28. **The Advisory Committee believes that whether to establish a reserve fund to finance the after-service health insurance liabilities of the United Nations up front or to continue the current "pay-as-you-go" approach is a policy matter for the General Assembly.**

29. **Irrespective of the decision to be taken by the General Assembly for the funding of after-service health insurance liabilities for the long term (see para. 18 above), the Advisory Committee agrees with the Secretary-General's proposals to continue biennial appropriations to cover the cost of subsidy payments in respect of current after-service health insurance participants who retired under the regular budget and peacekeeping budgets, as well as to establish biennial appropriations to cover such costs for those who retired under extrabudgetary funds (see also para. 11 above).**

30. **With respect to the initial funding of $290 million from the transfer of unencumbered balances from peacekeeping budgets for the 2008/09 financial period through the suspension of financial regulation 5.3, the Advisory Committee reiterates its recommendation (A/60/7/Add.11, para. 10, and A/61/791, para. 12) that the transfer of unencumbered balances to entirely alternate uses represents an inappropriate financial management practice. The Committee notes that the transfer proposed by the Secretary-General is for one time, nevertheless, the Committee considers that such a practice could potentially encourage over-budgeting. It therefore recommends against the suspension of financial regulation 5.3 and is of the view that the balance of $290 million in unencumbered balances under peacekeeping operations for the 2008/09 period should be returned to Member States.**

31. The Advisory Committee also recalls its recommendations in connection with the proposed transfers from the compensation reserve and the medical and dental reserves (A/60/7/Add.11, paras. 12 and 13, and A/61/791, para. 13). **In the light of the assurance by the Secretary-General that the transfer of $51.9 million from the compensation reserve fund and $83.1 million from the medical and dental reserves will not endanger those reserves (A/64/366, paras. 67 and 68), the Committee has no objection to the transfer of those amounts to the independent segregated special account approved by the General Assembly (see para. 8 above). Should the General Assembly approve this course of action, the**

estimated after-service health insurance liability would be correspondingly reduced.

32. With respect to the Secretary-General's proposals for funding of current and future after-service health insurance liabilities of the International Criminal Tribunal for Rwanda and the International Tribunal for the Former Yugoslavia (ibid., para. 86 (c) and (d)), the Advisory Committee is of the view that the United Nations should have a consistent approach towards the funding of those liabilities. Therefore, the Committee recommends that appropriations be made to cover the cost of current after-service health insurance participants who retired from the Tribunals. Recognizing that the Tribunals have limited mandates, the General Assembly will need to address the long-term after-service health insurance liabilities of the Tribunals in the context of the final performance reports.

Other recommendations by the Advisory Committee

33. The Advisory Committee is of the view that, in considering the after-service health insurance liabilities of the United Nations, the General Assembly may wish to review the scope and coverage of the existing after-service health insurance plans, as well as the contribution levels by the Organization and by the participants.